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INTERNATIONAL ORGANIZATIONS GROUP

WEEKLY SUMMARY NO. 1

For week ending 4 January 1949

Volume II

The International Week

Indian-Pakistani compliance with the UN Kashmir Commission's request for a cease-fire in Jammu-Kashmir was the one positive reaction to the tide of UN cease-fire requests circulating throughout the Middle and Far East. As bombs fell on Jerusalem and Israeli troops moved across the Egyptian border, the Security Council passed yet another cease-fire resolution which per se has as little chance of implementation as had its predecessors. Related Dutch compliance with the Council's Christmas Eve cease-fire resolution on Indonesia raises the question of further SC action. With Eastern nationalist and anti-colonial sentiment aroused by the Dutch "police action", the Asiatic states will undoubtedly seek to keep the case before the UN.

SC action on Indonesia ineffective so far. The Netherlands has so stalled on recent Security Council resolutions as to make them absolutely ineffectual but, unable to drop the case because of Asiatic bloc pressure, a mild SC censuring of the Dutch attitude will probably be forthcoming. Lacking the military means to enforce its decisions and having, in all previous cases, failed to evoke economic sanctions, the Council has been forced to rely solely on moral suasion and the pressure of world opinion to make its orders effective. The Dutch, relying on this, delayed full compliance until their objective was gained and a fait accompli was before the world. Three further courses of action remain open to the SC: (1) it may, in view of its inability to enforce its resolutions, seize upon belated Dutch semi-compliance as a face-saving maneuver and acknowledge Dutch action as evidence of honorable intentions; (2) it may term the Netherlands maneuver an insult to the UN and indulge in mild censure; or (3) it may yet impose sanctions after denouncing the Netherlands as mocking the Council.



Faster Than We Can Bail It Out

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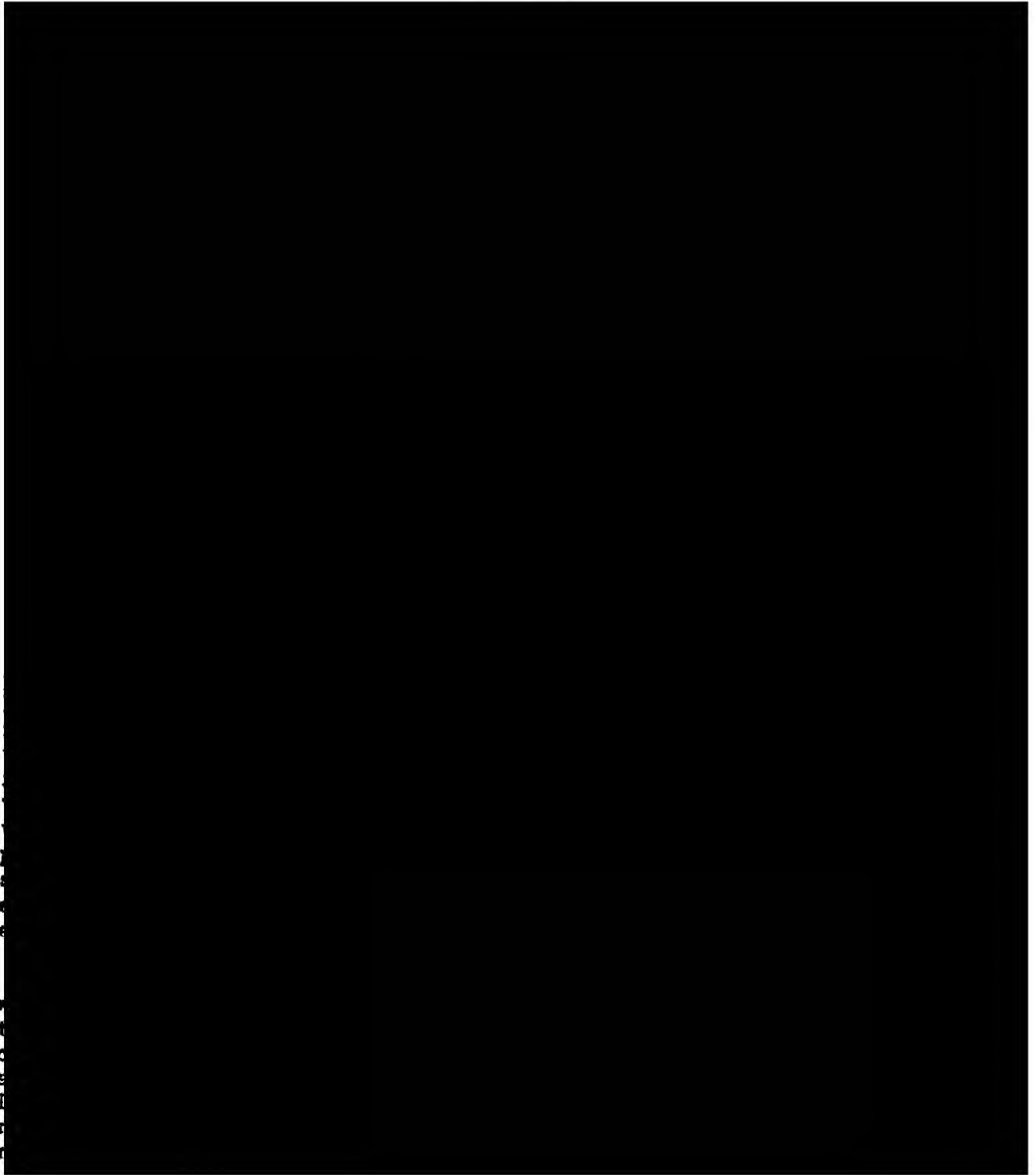
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Sanctions are, however, exceedingly unlikely now. The strategic moment for the application of sanctions has passed -- a sufficient majority could not be mustered to support it and the danger of a veto must not be discounted. The colonial states, Britain and France, fearful of precedents damaging to their own interests, will not permit strong anti-Dutch action. Norway will probably join the ranks of the middle-roads (Argentina and Canada). These five states, by abstaining, could block a vote for sanctions. On the other hand, the SC cannot afford to drop a case so damaging to UN prestige. Egypt, China and Cuba will doubtless further this end by refusing to allow the subject to die at the Council table. "Police action" is vigorously condemned throughout the East and the accused pro-Republican sentiment in this area will not tolerate dropping the case. Although joining these three in opposition to the colonial powers, the USSR and its Ukrainian shadow, despite their vociferous pro-Republican outbursts, will probably abstain (in order to continue the chaotic situation in the Far East) on any course of action the Council might undertake. Caught between these colonial and anti-colonial camps in the US -- an advocate of legitimate nationalist aspirations but bound by economic and military commitments to support the Netherlands in Western Europe. As a result of this division in the Council, a resolution censuring the Netherlands for initially violating UN injunctions and belated compliance with subsequent requests will probably be the most the SC can undertake.

UN achieves cease fire in Kashmir. The recent acceptance by India and Pakistan of the UN Commission's cease-fire and truce proposal augurs success for UN peace efforts in Kashmir. Several factors combined to favor the Commission's work: (1) growing economic pressures resulting from tense relations between the dominions; (2) the strain of continued military attrition; and (3) India's desire for settlement in order to increase its international stature thereby and also to free it for greater activity in world, particularly Asiatic, affairs. While India and Pakistan have taken the first step toward ultimate solution of their most important difference, the plebiscite envisaged by the Commission will not be concluded for about a year and, in the continuing war of nerves, many a slip might precipitate a renewed crisis in the subcontinent. For example, little has as yet been done to calm underlying Pakistani fears of absorption by India. Moreover, India has not yet abandoned its desire to acquire Jammu-Kashmir and Indian obstructionism may reappear should the plebiscite seem to menace this desire. Trigger-happy irregulars in the controversial territory also endanger a stable truce. Should the Commission, together with its Military Adviser, his observers and the UN Plebiscite Administrator succeed in curbing these threats to the truce, then a successful conclusion to SC efforts may be expected -- a conclusion which would give the UN a much-needed shot in the arm.

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USSR plans to use national youth movements in blow at Western military potential. Soviet determination to utilize the World Federation of Democratic Youth and its component national youth movements as instruments of sabotage is indicated in a report that Soviet, Polish, Spanish and US delegates to the recent Paris WFDY meeting also attended a secret conference devoted to Communist activity in army units. There the Soviet delegate discussed "disinfiltration work and the training of partisans," citing Communist activity in the French army as an example for the British and US youth groups and called for "conscript clubs" as the first step in such work. This report from a "reliable informant" of US Ambassador Caffery is lent substance by: (1) the Kremlin's designation of a top Soviet Youth official to attend the Paris meeting; (2) the close integration of the French national youth movement with the Communist-controlled labor federation (CGT); (3) the recently accelerated WFDY drive to bolster European and Latin American support for both Soviet attacks on Western "imperialism" and Soviet demands for the "defense of peace." With its estimated fifty million members in sixty countries, the WFDY has been an increasingly effective arm of Communist propaganda but it has ostensibly left militant, "activist" sabotage to Communist Party cadres and Soviet agents. The reported participation of key WFDY leaders in plans for infiltrating the armed forces of the Western Powers may reflect a USSR decision to reinforce its use of Communist labor with auxiliary left-wing youth movements in a double blow at the European Recovery Program and Western military plans.

Shanghai refugees pose political problem for IRO. Provision for the temporary shelter and eventual resettlement of 14,000 stateless European refugees stranded in Shanghai poses a knotty problem for the International Refugee Organization which must find a haven for a group regarded as politically objectionable on both sides of the Iron Curtain. Although arrangements for the removal to Palestine of an estimated 6,000 Jewish refugees are well underway, the IRO is encountering serious difficulty in finding even a temporary haven for the remaining 8,000 White Russians, Poles and Balts. On the one hand, the Argentine Government, apparently inspired by Soviet objections to the reception of persons whom it regards as "traitors" or "war criminals", has rejected a Vatican request for admission of the group. On the other hand, the US Consul General in Shanghai is alarmed at the prospect of having, in an area under his jurisdiction, thousands of refugees among whom there may be Communist agents. To facilitate the prompt removal of this Eastern European group from a war area, the IRO now proposes to transfer them temporarily to Japan, the Philippines, Saipan or Tinian and at a later date to ship them to the Dominican Republic for permanent resettlement.

Resistance to US removals plan stiffens. Stiffened resistance to US plans for cutting down industrial reparations from Germany will appear in the coming intergovernmental discussions with the UK and France. A British

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Embassy official recently stated that the discussion will result in an impasse if negotiated on the basis of the Humphrey Committee's tentative position that one hundred and sixty-seven industrial plants originally scheduled for removal as reparations should be retained in Germany to work for European recovery. Both the British and French believe the US is underestimating the dangers of rebuilding German industrial capacity. Moreover, they were apparently encouraged to take a firmer position toward the Humphrey Committee recommendations as a result of the considerable US concessions in the Ruhr accord to French views on security.

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Progress of ERP. At the end of 1948 with the first ERP year three-fourths completed, a picture of substantial progress toward European economic recovery has emerged. Although this progress may not be quite up to FCA hopes and although it appears that the ERP countries may not achieve the ERP target of eliminating their abnormal dollar deficit by 1952/53, four major accomplishments stand out: (1) production in the ERP countries has risen substantially in many fields since 1947; (2) ERP dollar aid requirements will be about a half billion dollars less in 1949/50 than in 1948/49; (3) an intra-European payments plan, based largely on conditional FCA aid, will increase the trade between participating countries; and (4) a real though limited degree of economic cooperation has been achieved through the OEEC (the nineteen participating areas have succeeded in drawing up joint annual programs for the first two ERP years and are now working on a four-year program). It is essential to recognize that the ERP still has three and one half years to run, that the first phase is necessarily one of organization and learning to work together and that the development of economic cooperation must be gradual and will increase. Moreover, the emphasis at the outset of the ERP had to be on relief goods, largely foodstuffs, although it has already shifted to recovery items and will increasingly do so.

Numerous problems, however, yet remain to be surmounted if the ERP objectives are to be achieved. Many countries, especially France, have not yet reached the desired degree of monetary and fiscal stability. The ERP countries have as yet been unable to integrate their various national four-year recovery plans into a coordinated whole and a greater degree of common effort is still needed. Many ERP countries are unrealistic in their planned expansion of industries and exports and in many cases their national programs conflict with each other. Finally the ERP nations must face the problem of how to reduce an anticipated remaining dollar deficit of perhaps two and a half billion dollars in 1952/3, either by reduced import programs or by a greater expansion of trade among themselves, if they are to achieve viability by that year.

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